



Policies & Procedures



Administered by
Nevada State Treasurer
Kate Marshall

CollegeKickStart.nv.gov

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Kate Marshall
State Treasurer



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STATE OF NEVADA
OFFICE OF THE STATE TREASURER

As administrator of the College Savings Plans of Nevada and as the Chair of the Board of Trustees of the College Savings Plans of Nevada, it gives me great pleasure to launch the ***Nevada College Kick Start Program***, a new pilot program with the goal of creating a more "college-going culture" in our state, to the benefit of our children and Nevada.

The ***Nevada College Kick Start Program*** will help support the dream of a college education for kindergarteners in our pilot program area by establishing a \$50 savings account in each child's name, which can continue to grow over the years. We chose to launch the ***Nevada College Kick Start Program*** with kindergarteners because it provides families with a 13-year window in which to save for future higher education costs.

Studies have reported that a child with a college savings account in his or her name is 7 times more likely to attend college than those without a savings account. A savings account sends a strong message to a child: "*You are a college saver. You are college-bound.*" It's important to note that the study found that even small accounts, often not enough to buy books for a semester, improves a child's determination and preparedness for college and higher education.

We hope parents and other caregivers will consider using this initial \$50 deposit as a stepping stone to begin preparing for future college expenses. We encourage parents and other family members to consider opening a separate SSgA Upromise 529 college savings account to build the child's savings over the next thirteen years. Whatever amount is saved in an individual account will help with that child's college costs. An account can be opened for as little as \$15, and with regular contributions of \$15 per paycheck or \$50 per month the savings can really add up over time. Remember, *research has shown that any amount of college savings helps plant a seed in the mind of a child; that college is an attainable goal.*

Should you have any questions, please feel free to contact my office at 1-888-477-2667, or visit our ***Nevada College Kick Start*** website at CollegeKickStart.nv.gov, which includes a "Frequently Asked Questions" section.

With Warm Regards,

Kate Marshall

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State Treasurer

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Program Structure and Administration

Administration and Management of Accounts

The Nevada College Kick Start Program (hereinafter “CKS” or “Program”) is administered by the Board of Trustees of The College Savings Plans of Nevada (“Board”), which is chaired by Nevada State Treasurer Kate Marshall, who also serves as Administrator of the College Savings Plans of Nevada. The Program is being implemented in the fall of 2013 at all schools located within the pilot area. Following the conclusion of the initial pilot, the Board’s intent is to implement the Program statewide within the confines of available funding and administrative resources.

All CKS accounts will be established and held within an account in the SSgA Upromise 529 Plan which operates as a qualified tuition program under Section 529 of the Internal Revenue Code. The SSgA Upromise 529 plan consists of portfolios managed by State Street Global Advisors (SSgA). Each CKS account will be invested in the College Date Portfolio within the SSgA Upromise 529 plan that most closely matches the child’s anticipated college enrollment date. College Date portfolios are designed to become more conservative as your child nears his or her anticipated college enrollment date, offering participants an opportunity to grow savings while the child is younger and better safeguard savings against market fluctuations when the child is of college age.

Nevada College Kick Start Accounts

The Program will establish an account with an initial deposit of \$50 in the name of each kindergarten student attending a public school within the pilot program area. These accounts are automatically created through information provided by your child’s school district. Your child will be listed as the Beneficiary on the account.

Families and students will **not** have the ability to affect transactions on their CKS account. All changes to the account and/or distributions will only be completed at the direction of the Treasurer’s Office as administrators of the Program. Families may not make direct contributions to a CKS account; however, families are encouraged to consider opening a separate college savings account. Please see the Students and Families section below for more information.

Individual Account Funding

The Board has authorized the use of a portion of the program manager fees it receives from its College Savings Plans of Nevada private company partners. **No taxpayer dollars are spent to fund Nevada College Kick Start Program accounts.**

Community Support Partners

In addition, the Program has and may continue to receive grants and other donations. Individual, corporate, and organizational donations and support are gladly accepted. Such donations and grants may be used to enhance existing CKS accounts, or to open new accounts. To see how businesses and organizations can help grow the Program, go to CollegeKickStart.nv.gov and review the information listed under Community Support Partners.

Section 529 Programs

The SSgA Upromise 529 plan operates as a Section 529 college savings account. As such, savings in the Plan qualify for federal tax advantages, including tax-deferred earnings and federal tax free distributions if used by the beneficiary (student) for qualified education expenses at an eligible institution, as determined by the U.S. Dept. of Education. To find out more about 529 college savings plan accounts, please visit CollegeKickStart.nv.gov and review the information under Basics and/or Resources.

Students and Families

CKS Program Enrollment Automatic

Program accounts are established automatically. There is no action or financial contribution required by participating families. All kindergarten students enrolled during the academic year at a public school located within the pilot program area will be enrolled in the Program.

Identifying Information Required to Establish Program Accounts

School districts and/or individual schools will furnish the Program with the student's directory information necessary to establish your child's account. No other information is required.

Confidential Status

Families who have requested that their student's directory information be treated as confidential by the school district may still participate in the Program by completing and returning a *Consent to Participate Form* located at CollegeKickStart.nv.gov under Kick Start Families/Forms.

Opting Out of the Program

Parents who do not wish for their child to participate in the Program may opt-out by completing and returning an *Opt Out Form* located at CollegeKickStart.nv.gov under Kick Start Families/Forms. If a parent chooses to "Opt Out" of the program, the student's information will be removed from the Program and the account closed.

Consent to Participate in the Program

A *Consent to Participate Form* is required to be completed and returned for any family whose student information was not shared with the Program automatically. The form is located on the Program website CollegeKickStart.nv.gov. By completing the Consent to Participate Form, you will be authorizing your child's school district to release the information necessary to establish an account in his/her name, including his/her school ID number and contact information, which will be used to send your child and you emails and collateral material about the program.

Expiration of Accounts

CKS accounts will expire and any remaining funds will be returned to the Program if the student does not use the funds for qualified higher education expenses before reaching the age of 25.

Change of Address

Families are encouraged to keep their address information current with the Program. A *Change of Address Form* is located at CollegeKickStart.nv.gov under Kick Start Families/Forms.

Returned Forwarded Mail

Should statements be returned to the Program by the United States Postal Service two quarters in a row, the Program will flag the account as one with an incorrect address and all future statements will cease to be mailed until a new address is furnished to the Program by the parent/caregiver. After a period of one year, if no Change of Address Form is received or contact is not made with the State Treasurer's Office, the account will be closed.

In the event the United States Postal Service returns statements to the Program with a forwarding address, the Program shall use such notice and will update the address in the Program's records. Should the new forwarding address be located outside of Nevada, the account will be flagged. As accounts are for Nevada residents only, if no new Nevada address is provided to the Program within a year, the account will be closed. Please see Account Reinstatement below for the conditions in which an account may be reestablished.

Residency Requirement

To remain eligible to participate in the Program and receive the funds saved in a student's CKS account, the student must remain a Nevada resident. If the Program receives notification that a student has moved out of Nevada at any time during the life of the CKS account, the account will be closed after one year and any remaining funds will be returned to the Program. Please see Account Reinstatement below for the conditions in which an account may be reestablished.

Account Reinstatement

If a student returns to Nevada after having moved out of state for a period of time prior to graduation from high school, the account may be reactivated upon written notice provided to the State Treasurer's Office. Such notice shall include proof of address as evidenced by a transcript from a school located in Nevada. The student's account will be reopened with the initial \$50 deposit; all accrued interest credited will be forfeited.

Quarterly Statements

Quarterly account statements will be mailed to each student participant. Statements will detail activity in the account, including the initial \$50 deposit, any funding supplied through Community Support Partners, and any accrued earnings. Should statements be returned to the Program by the United States Postal Service two quarters in a row, the Program will flag the account as one with an incorrect address and all future statements will cease to be mailed until a new address is furnished to the Program by the parent/caregiver.

Using the Funds Saved in a CKS Account

The student must graduate from a Nevada high school to be eligible to receive funds from a CKS account. When your student attends an eligible postsecondary institution and wants to use his/her

Program account, the student must contact the State Treasurer's Office to request a distribution. The student will be required to complete a *Distribution Form*. Once approved, the State Treasurer's Office will initiate payment from the student's account and send the payment directly to the institution of higher learning for the benefit of the student.

Eligible institutions include thousands of colleges, universities, and technical/vocational schools across the nation. Eligible schools are defined by Section 529 of the Internal Revenue Code and generally include any postsecondary school that is eligible to participate in federal financial aid programs.

The money deposited in these accounts—the \$50 initial deposit, interest earnings, and any matching grant or community support dollars—may not be used for any other purpose than to pay for qualified costs related to higher education. All CKS funding will only be paid directly to the institution selected by your student, as described above.

Coordination with Other Financial Aid

The CKS account is considered a scholarship account and as such it should not count against your student or family in the calculation of financial aid. Of course, college enrollment for your kindergartener is many years off and new regulations on calculating financial aid may be different. Be sure to contact your own tax and financial professional when the time comes for a distribution. Additionally, as of April 2013, the State of Nevada has eliminated asset limitations relating to college savings accounts for families that receive state or federal benefits.

Establishing Your Own College Savings Account

Families are encouraged to open a separate, personal college savings account for their child. CKS participants may open an SSgA Upromise 529 college savings account with an initial deposit of as little as \$15, and then make contributions as you choose via check or automatic payment from your checking or savings account. To learn how, go to Nevadas529.com or call 1-800-587-7305.

Once you open your own personal account, you will be in complete control of your SSgA Upromise 529 Plan account and you'll enjoy all the benefits allowed in accordance with Section 529 of the Internal Revenue Code. For more information on 529 college savings plans, please visit CollegeKickStart.nv.gov and review the information located under Basics and Resources.

Remember, planning, contributing, and discussing college with your child is one of the best ways to help ensure that when the time comes, he or she will be prepared for college.

School Districts and Individual School Partners

Local Ambassadors for the Program

For the Nevada CKS Program to succeed, local support is vitally important. Numerous studies have shown that parents rely on school officials—principals, teachers, counselors, office personnel, etc.—when it comes to receiving information relating to their children's well-being. For CKS to succeed, school officials must act as ambassadors for the Program. School officials who agree to take part in the CKS Program will be asked to provide parents with information

about the program—brochures, fliers, showcase posters, etc.—establish a link on their school/school district web pages, and to promote CKS at various school functions, such as PTA meetings, assemblies, and College Nights. For CKS to make an even greater impact on students and their families, supplying information on how parents and other family members may open personal college savings accounts with monthly deposits, how this money can grow over time, and how this savings account can help parents meet the rising cost of college tuition is critical. The Nevada State Treasurer’s Office will be a strong ally and partner with each participating school in promoting the CKS Program and college savings in general.

Submission of Student Information

Within three working days of the official Count Day for your district, participating school district offices are required to electronically submit student directory information to the State Treasurer’s Office needed to establish the CKS accounts, unless a parent or legal guardian has previously requested that the student’s directory information be confidential. In such cases, parents may complete and return a *Consent to Participate Form* located at CollegeKickStart.nv.gov under Kick Start Families/Forms to establish an account for their child. By completing the Consent to Participate Form, the parent will be authorizing the school district to release their child’s information necessary to establish an account in that child’s name, including his/her school ID number and contact information.

The instructions on how to compile and submit data is located at CollegeKickStart.nv.gov under School Administrators/Data Submission Guide. This is a secure and safe process, protected by the State of Nevada’s Information Technology Division.

Mid-year Student Registration

Students who enroll in kindergarten at public schools located within the pilot program area after the initial Count Day submission in September are still eligible to participate in the Program. School Districts may submit the new student information at the end of the winter and spring terms. Instructions on how to compile and submit data read the Program’s Data Submission Guide located on the Program website at CollegeKickStart.nv.gov.

Confidentiality of Information

All student and family information shall only be used by the Treasurer’s Office and Upromise Investments, Inc. for the purpose of program administration, including delivering information about the Program to participants. All student, family, and Program information will be held strictly confidential. Under no circumstances will the information be sold or used for any other purpose.

Financial Literacy Lesson Plans

The Treasurer’s Office will provide participating schools and teachers with a financial literacy curriculum designed by experts for the San Francisco School District’s Kindergarten 2 College Program. There are four lessons in all, with emphasis on preparing for future college expenses. These simple lesson plans provide a powerful real world tool to teach students and parents about saving and budgeting in general, as well as preparing and saving for future college attendance. Individual schools will be encouraged to incorporate these lesson plans, but are not required to do so.

Other Provisions

Program Accounts Not Guaranteed

CKS Program accounts are not guaranteed by the Board, the State of Nevada, or Upromise Investments, Inc. Due to market fluctuations, accounts may, at any time, including at time of withdrawal, be worth less than the amount contributed by the Board on behalf of students.

NOTE: Parents/caregivers are not allowed to make any payments or contributions to the CKS Program, including if the initial deposited amount falls below \$50.

Transferability

Program accounts may not be transferred or sold to other individuals.

Involuntary Program Account Closure

Program accounts will be closed and any remaining funds returned to the Program should the student move out of the State of Nevada, if the Treasurer's office is unable to contact a participant family for a period of one year, or if the beneficiary becomes deceased. In addition, Program accounts will be closed and returned to the Program when a beneficiary reaches the age of 25 and has funds remaining in his or her CKS account.

Disputes

All disputes must be submitted to the State Treasurer's Office in writing. Disputes that are not resolved with the Treasurer's Office may be reviewed by the Board. Decisions of the Board are final.

Income Tax Treatment

Payments made under the Program may be subject to income tax reporting or withholding requirements. The Program makes no representations, expressed or implied, about the taxability of benefits received under this Program. You should consult with your tax advisor for clarification about your specific financial situation.

Program Amendment or Termination

The Board reserves the right to terminate, discontinue, suspend, merge, consolidate, or amend the Program. Continuation of the Program is contingent upon funding availability and the discretion of the Board and the Nevada State Legislature.